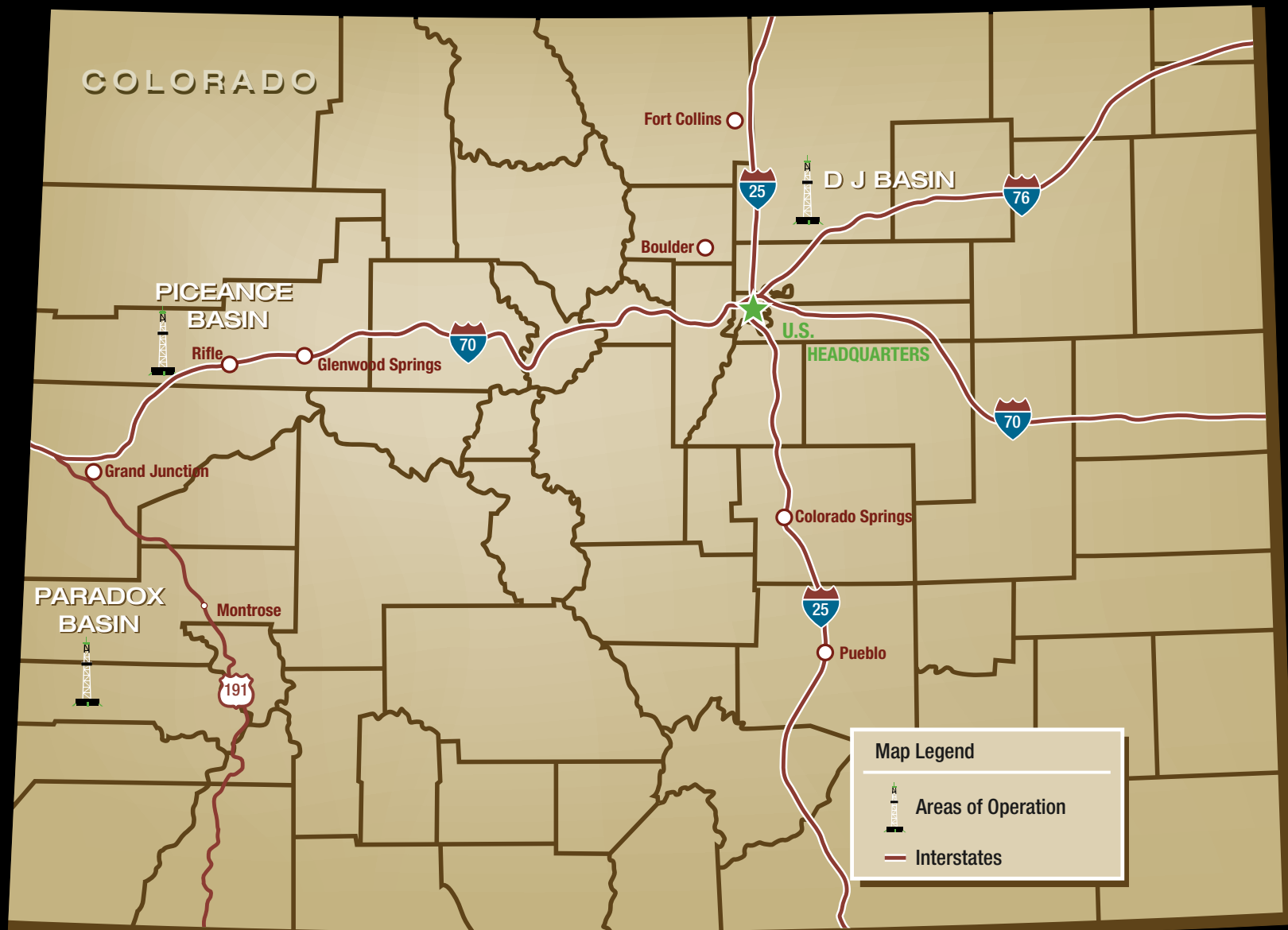


COLORADO OPERATIONS



COLORADO TAX FACTS

Taxes Remitted by EnCana in 2008

Colorado State Severance Taxes	\$28,325,582
State Royalty Payments	\$2,229,009
Federal Royalty Payments	\$55,960,738.35
Gross Production (Ad Valorem) Taxes to counties	\$36,634,332
Colorado Personal Property Taxes to counties	\$6,271,959

Tax definitions:

- Severance Tax (Oil & Gas Severance Rate = 5% less the Ad Valorem tax credit): Severance tax is levied by the state for “severing” a mineral from the earth. Severance taxes are levied regardless of surface ownership. The tax revenue is distributed to school districts, local governments and the water conservation board.
- State Royalties: Royalty rate is 12.5% on all state-owned land.
- Federal Royalties: Royalty rate is 12.5% on all federal-owned land. The state receives half of the federal royalties collected for leasing, production and fees on federal land. That money, along with state royalties, funds education, infrastructure improvements, road projects, public buildings, and other general operations. The U.S. Treasury divides monies received into the general fund, reclamation fund, national historic preservation, and the land and water conservation fund.
- Gross Production/Property Tax (Ad Valorem): County-assessed taxes paid by the producer on the actual value of oil and gas production to the County Treasurer. Revenues go to local governments.
- Property Tax: Property taxes are administered by the counties through the Colorado Department of Local Affairs. Property taxes are set by multiplying the county tax rate (mill levy) by the taxable (assessed) value of a property. The mill levy is determined by the governmental entity imposing the tax.

Quick Facts

- EnCana employs and contracts a team of more than 1,600 people in the U.S. and works with more than 300 third-party contractors.
- Net production in 2008 was approximately 426 MMcf/d.
- More than 3,700 operated wells.
- The company holds 1.1 million net acres comprised of state, federal and private lands.
- In 2008, Colorado was the sixth largest natural gas producer in the country. That same year, EnCana was the second largest natural gas producer in the state.
- EnCana contributed \$2.3 million in 2008 to the strength and sustainability of Colorado communities and programs that focused in five areas: sciences, trades & technology; family & community wellness; environment, sports & recreation; and community enhancement.

